

**GALLAGHER & KENNEDY**

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LAW OFFICES

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AZ CORP COMMISSION  
DOCKET CONTROL



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**ORIGINAL**

March 12, 2009

**HAND DELIVERED**

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

Arizona Corporation Commission

**DOCKETED**

MAR 12 2009

DOCKETED BY	
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Re: *SemStream Arizona Propane, LLC Operations Report;*  
*Docket No. G-00000C-08-0501*

Dear Sir/Madam:

Enclosed are the original and 13 copies of the March 2009 Operations Report for SemStream Arizona Propane, LLC. Your assistance in relation to this matter is appreciated.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:

Michael M. Grant

MMG/plp  
Enclosure  
20474-3/2057895

cc (w/enclosure): Bob Gray, Utilities Division (delivered)  
Wes Van Cleve, Legal Division (delivered)

**Original and 13 copies** filed with Docket  
Control this 12<sup>th</sup> day of March, 2009.

**SemStream Arizona Propane**

200 W. Longhorn Rd.  
Payson, AZ 85541  
928.474.2294

March 12, 2009

Docket Control Office  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

**DOCKET NO. G-00000C-08-0501**

**Re: Monthly Operations Report: March 2009**

This report is filed with the Commission and Staff as a monthly summary reflecting operation status at both the Page and Payson offices as per the above-referenced docket.

**Gas Supply:** Propane supply for both winter storage and ongoing spot gas is sufficient for anticipated needs and is being distributed in both territories on a business-as-usual basis.

**Gas Pricing:** With the price of oil falling from \$145 per barrel (July) to under \$50 per barrel (Dec), both storage gas and spot prices have been reduced. On March 1, 2008, our price per therm was \$2.634. This year as of March 1, the price per therm was \$2.242—a 15% reduction.

**Regulatory:** We continue to evaluate the latest changes in propane spot pricing and futures curves for their impact on our filing PGA adjustors for the Payson office and the Page office.

**Hiring:** We have had no new hiring.

**Billing and Customer Service:** We are releasing our latest on-line service feature this month, Streamline Pay. It allows our customers to visit their gas account and usage history via the web. In addition, they can pay their current bills using a credit card.

**Office of Pipeline Safety:** The project outlined in the mitigation plan for the Dec 2008 incident continues. We may have another two months of pipe replacement. Annual leak surveys are scheduled to start March 16 in Payson and in May for Page.

**Customer Assistance (Share the Warmth):** We have sent a donation of \$2,000 for Arizona Community Action Association for energy assistance for needy families in the Page area. The Arizona Community Action Association will match our donation. We are starting to receive donations through our Share the Warmth program which we also will match, as will the Arizona Community Action Association.

**Bankruptcy Issues:** We have not been impacted by the SemGroup Chapter 11 bankruptcy filing.

**Douglas R. Mann, President, SemStream Arizona Propane**